

Thursday, September 27, 2007

House Meets At...	Votes Predicted At...
10:00 a.m. For Legislative Business	Last Vote: Late Afternoon
Ten "One-minutes" Per Side	

Any anticipated Member absences for votes this week should be reported to the Office of the Majority Whip at 226-3210.

Floor Schedule and Procedure

- **H. Res. 682 –Rule providing for consideration of H.R. 3567 - Small Business Investment Expansion Act of 2007 (Rep. Cardoza– Rules):** The structured rule provides one hour of general debate equally divided and controlled by the Chairman and Ranking Minority Member of the Committee on Small Business. No amendments shall be in order except those amendments printed in the Rules Committee report accompanying the resolution. Provides that the amendments made in order in the report may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. The rule provides one motion to recommit with or without instructions. Debate on the rule will be managed by Rep. Cardoza, and consideration will proceed as follows:
 - One hour of debate on the rule.
 - Possible vote on a Democratic motion to move the previous question. **Democrats are urged to vote yes on the motion.**
 - Vote on adoption of the rule. **Democrats are urged to vote yes on adoption of the rule.**
- **H. Res. 683–Rule providing for consideration of H.R. 3121 - Flood Insurance Reform and Modernization Act of 2007(Rep. Matsui– Rules):** The structured rule provides one hour of general debate equally divided and controlled by the Chairman and Ranking Minority Member of the Committee on Financial Services. The rule provides that the amendment in the nature of a substitute recommended by the Committee on Financial Services now printed in the bill, modified by the amendment printed in Part A of the Rules Committee report, shall be considered as adopted in the House and in the Committee of the Whole. The bill as amended shall be considered as an original bill for the purpose of further

amendment and shall be considered as read. No further amendments shall be in order except those amendments printed in Part B of the Rules Committee report accompanying the resolution. The rule provides one motion to recommit with or without instructions. Debate on the rule will be managed by Rep. Matsui, and consideration will proceed as follows:

- One hour of debate on the rule.
 - Possible vote on a Democratic motion to move the previous question. **Democrats are urged to vote yes on the motion.**
 - Vote on adoption of the rule. **Democrats are urged to vote yes on adoption of the rule.**
- **H.R. 3121 - Flood Insurance Reform and Modernization Act of 2007 (Rep. Waters – Financial Services):** Pursuant to the rule, debate on the bill will be managed by Financial Services Committee Chair Rep. Barney Frank, or his designee, and will proceed as follows:
 - One hour of debate on the bill.
 - Debate and votes on amendments to the bill.
 - Possible debate and vote on a Republican motion to recommit the bill.
 - Vote on final passage of the bill. **Democrats are urged to vote yes on final passage.**
- **H.R. 3567 - Small Business Investment Expansion Act of 2007 (Rep. Altmire – Small Business):** Pursuant to the rule, debate on the bill will be managed by Small Business Committee Chair Rep. Nydia Velazquez, or her designee, and will proceed as follows:
 - One hour of debate on the bill.
 - Debate and votes on amendments to the bill.
 - Possible debate and vote on a Republican motion to recommit the bill.
 - Vote on final passage of the bill. **Democrats are urged to vote yes on final passage.**

Bill Summary and Key Issues

H.R. 3121 - Flood Insurance Reform and Modernization Act of 2007

H.R. 3121, the Flood Insurance Reform and Modernization Act of 2007, reauthorizes the National Flood Insurance Program (“NFIP”), provides for reforms to the NFIP, improves flood mapping, and expands the NFIP to provide for multiple peril coverage. The bill reauthorizes the NFIP for five years through 2013 (the current authorization for the NFIP expires September 30, 2008) and ensures its continued viability by encouraging broader participation, increasing financial accountability, eliminating unnecessary rate subsidies, and updating the flood insurance program to meet the needs of the 21st century.

In an effort to make the NFIP more actuarially sound, the bill phases out subsidized rates on commercial properties, vacation homes, and second homes built before 1974. Multifamily rental properties are excluded from the phase-out of the subsidy.

Additional optional policy coverage is added, allowing business owners to purchase business interruption coverage at actuarial rates to better prepare them to meet payroll and other obligations during the next big storm. Additionally, optional coverage at actuarial rates for basement improvements and replacement cost of contents is added. For the first time since 1994, the bill updates maximum insurance coverage limits for residential and nonresidential properties. The bill requires FEMA to conduct a thorough review of the nation's flood maps. The bill makes the updating and modernization of flood maps an ongoing process, and increases funding for mapping.

Provisions protecting policy holders include clarification of disclosures about flood insurance availability and plain language information on flood insurance policies. Landlords must notify tenants of contents coverage availability. Further, the bill makes flood insurance effective immediately upon purchase of a home.

To encourage participation in the NFIP, the bill provides for a new community outreach program, and provides for a study of how to increase participation by low-income families. In order to help ensure that those homeowners who should have flood insurance do have flood insurance, the bill increases the fines on lenders who do not enforce the mandatory flood insurance policy purchase requirement for those who live in a floodplain and hold a Federally-backed mortgage.

Additionally, the bill requires FEMA to report to Congress annually on the financial status of the NFIP, increases the amount FEMA can raise policy rates in any given year from 10 percent to 15 percent, and authorizes funding for additional staff at FEMA to carry out the requirements of this bill.

Chairman Frank will offer a manager's amendment striking the provision in the bill increasing the NFIP borrowing authority by \$725 million. This amendment will bring the bill into compliance with PAYGO. The NFIP does not need the borrowing authority increase to pay claims. The NFIP currently has approximately \$3 billion in borrowing authority.

Anticipated Amendments to H.R. 3121

Frank (MA): Manager's Amendment. The manager's amendment does the following: 1) requires that homes insured by wind/water policies comply with existing model building codes from the International Code Council pursuant to request from the National Association of Home Builders; 2) requires that specific technologies be used for mapping floodplains (such as geospatial technologies); 3) adds a professional mapping association to the Mapping Advisory Council; 4) prohibits FEMA from enforcing a penalties assessed against individual condo owners where the condo complex is underinsured regarding flood coverage; 5) directs FEMA to develop a plan to verify that the recipients of Homeowner Assistance Grants in Mississippi and Road Home Grants in Louisiana, funded by HUD Community Development Block Grants, maintain flood insurance on their properties as required as a condition of the grants; and 6) codifies recommendations in a recently released GAO report (GAO 07-1078) with respect to the National Flood Insurance Program's payments to insurance companies for their administrative costs without requiring the companies to report their costs or to comply with the existing audit requirements. (10 minutes)

Cardoza (CA)/Ross (AR)/Reyes (TX): This amendment says that people forced to purchase flood insurance as a result of the new map who have lived in an area where the levees were previously certified, and have now been decertified, will receive a grace period of 5 years in which they will be entitled to a 50% reduction in their flood insurance premium while the levees are being recertified. (10 minutes)

Castor (FL): This amendment commissions a study by the GAO to examine the effect of the new multiperil policy on state insurance programs. (10 minutes)

Castor (FL): This amendment clarifies some of the priorities for wind risk criteria generation. (10 minutes)

Blumenauer (OR)/Welch (VT)/Gilchrest (MD): The amendment would require FEMA, when updating and maintaining flood maps, to take into consideration the impacts of global warming, the potential future impacts of global climate change-related weather events, and use the best available climate science in assessing flood and storm risks. (10 minutes)

Murphy, Patrick (PA)/Arcuri (NY): This amendment would create the position of National Flood Insurance Advocate in FEMA which would: (1) transmit a comprehensive report to Congress about the major problems facing the Flood Insurance Program; and (2) report to Congress about the feasibility and effectiveness of establishing an Office of the Flood Insurance Advocate, headed by the National Flood Insurance Advocate, to assist insureds in resolving problems with FEMA. (10 minutes)

Taylor, Gene (MS): This amendment allows multiple peril and flood insurance coverage of apartment buildings up to the total of the number of dwelling units times the maximum coverage limit per residential unit. (10 minutes)

Taylor, Gene (MS): The amendment prohibits a company that sells and services flood insurance policies from including language in its own windstorm policies that would exclude coverage of wind damage solely because flooding also contributed to the damage. The amendment also requires the contract between an insurance company and NFIP to state that the company has a fiduciary responsibility to federal taxpayers and will act in the best interests of NFIP. (10 minutes)

Costello (IL): The amendment provides that no changes in flood insurance status can go into effect until the remapping process is completed for the entire district of the Corps of Engineers affected by that map. (10 minutes)

Green, Gene (TX): This amendment provides a five year phase-in of flood insurance premiums for low-income homeowners or renters whose primary residence is placed within a flood plain through an updating of the flood insurance program maps if the value of the home does not exceed 75% of the state median home value. (10 minutes)

Berry (AR)/Ross (AR)/Hare (IL)/Emerson (MO)/Hulshof (MO)/Costello (IL): The amendment authorizes the Director of FEMA to include a note on flood

insurance rate maps identifying 100-year and 500-year certified levees and encouraging property owners to evaluate their risk of flooding. The amendment also clarifies that the note shall not be considered a legal requirement of participation in the national flood insurance program. (10 minutes)

Walz (MN): This amendment adds to the flood map modernization provisions of H.R. 3121 a requirement that FEMA map areas in the 100-year floodplain that would flood if not for a "levee, dam, or other man-made structure." (10 minutes)

Stark (CA)/Burton (IN): This amendment requires written notification by first class mail to each property owner affected by a proposed change in flood elevations, prior to the 90-day appeal period. Notification would include an explanation of the appeal process and contact information for responsible officials.

H.R. 3567 - Small Business Investment Expansion Act of 2007

Overhauls the SBIC and NMVC. *The Small Business Investment Improvements Act of 2007* addresses current shortfalls, by overhauling the SBA's Small Business Investment Company (SBIC) and the New Markets Venture Capital (NMVC) programs which are designed to aid small enterprises, particularly those owned by women, minorities, and resident of low income areas.

Creates Angel Investment Program. The bill creates a new Angel Investment Program to fill the gap in seed capital that was impacted with the elimination of the participating securities program, one of SBA's venture capital initiatives, and to help infuse entrepreneurs with this crucial source of financing. It also creates a renewed focus on investment in low-income areas and to minority owned businesses – two sectors that have historically faced barriers in accessing equity investment.

Makes Improvements to Increase Participations. The Small Business Act will be amended to ensure firms that received venture capital are able to maintain their small business classification, removing current disincentives to seeking this kind of financing. Finally, improvements will be made to the surety bond program by raising the maximum allowable bond amount and decreasing fees for borrowers and surety companies, making the initiative more accessible.

Anticipated Amendments to H.R. 3567

Chabot (OH), #1 The amendment establishes a bright line standard of majority stock ownership for determining whether a venture capital company is affiliated with the companies in which it invests. (10 minutes)

Inslee (WA)/Welch, #2 (REVISED) The amendment expands the definition of operational assistance in Section 351 of the Small Business Investment Act, to include assistance to help small businesses achieve energy efficiency and implement sustainable practices that reduce the use of non-renewable resources or minimize environmental impact and reduce overall costs and increase health of employees. (10 minutes)

Inslee (WA)/Welch, #3 (REVISED) The amendment would direct the SBA Administrator to give consideration to investments for small businesses that are creating new technologies, manufactured goods, or materials, or providing services to reduce carbon emissions in the US, reduce the use of non-renewable resources, minimize environmental impact, and relate people with the natural environment. (10 minutes)

Quote of the Day

"In about the same degree as you are helpful, you will be happy." -Karl Reiland

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